

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**FEBRUARY 5, 2008 AGENDA**

| SUBJECT:   | TYPE:  | SUBMITTED BY:                    |
|--|--|----------------------------------|
| General Obligation Bond Issuance<br>– Watershed Infrastructure<br>Improvement Plan Funding | Resolution<br>Ordinance<br>Motion<br>✓ Discussion Only | Cara Pavlicek<br>Village Manager |

**SYNOPSIS**

A discussion has been scheduled to review the process for the proposed General Obligation (GO) bond issuance as identified in the FY08 Municipal Budget. The proceeds from the GO bond would fund the construction of selected projects identified in the Watershed Infrastructure Improvement Plan in accordance with the Community Investment Program (CIP).

**STRATEGIC PLAN ALIGNMENT**

The Five Year Plan and Goals for 2007-2012 identified *Top Quality Village Infrastructure and Facilities. Implementation of the Watershed Infrastructure Improvement Plan* is identified as a Top Priority of the 2008 Policy Agenda.

**FISCAL IMPACT**

The FY08-12 CIP includes approximately \$27.3 million of expenditures in the Stormwater Fund over three fiscal years for the construction of selected projects identified in the Watershed Infrastructure Improvement Plan. These expenditures would include design and construction.

In August of 2007, staff presented a comprehensive financial review to the Village Council regarding funding strategies for the proposed Watershed Infrastructure Improvement Plan. Those alternatives were discussed with the Council as well as at a series of four public meetings prior to a more detailed review of these financial alternatives as a part of the annual budget process in October. On November 6, 2007 the Village Council authorized a professional services agreement with Northern Trust to provide an analysis of the Village's financial position and to provide a general strategy for the issuance of bonds to fund construction of the stormwater projects. On November 20, 2007, Northern Trust provided a report to the Village Council (see attached presentation). The recommended strategy for three separate bond issuances (2008, 2012 and 2015) included the issuance of General Obligation bonds with constant annual debt service payments in the amount of approximately \$4.0 million. This recommended strategy is consistent with the adopted FY08 Municipal Budget and FY08-12 CIP.

During the review and approval of the FY 08 Municipal Budget, the Village Council and staff discussed options for financing these project expenditures. Given the nature of these public capital improvements, it is recommended that General Obligation (G.O.) bonds be issued to finance the project over thirty years. The FY08 municipal budget includes for the first time a Stormwater Improvement Fund which is supported by a ¼ cent increase in the Home Rule Sales Tax, an annual property tax levy of \$2,130,000 (to fund debt service payments and annual stormwater maintenance expenses) and the pre-existing detention variance fee. The Home Rule Sales tax increase will be effective July 1, 2008. It is anticipated that a general obligation bond of approximately \$24,679,000 will be issued in FY08, followed by a general obligation bond issuance of approximately \$24,124,000 in FY12 and finally a general obligation bond issuance of approximately \$23,464,000 in FY15. However, given the current low municipal bond interest rates, a debt service payment amount of \$4 million annually for thirty years will likely generate bond

proceeds greater than \$24.7 million. The amount of the bond issue will be determined by the Village Council later in the process. The debt service on these issuances will be covered by the above mentioned ¼ cent Home Rule Sales Tax, property taxes and detention variance fees. The resulting bond proceeds will allow the Village to complete the most critical capital improvements identified in the Watershed Infrastructure Improvement Plan.

## **RECOMMENDATION**

Consensus on the proposed schedule for issuance of General Obligation Bonds in March 2008 is requested (details are outlined below).

## **BACKGROUND**

Pursuant to the Village Debt Service Management Policy, the Village should seek to minimize debt interest costs and consider market timing when issuing debt. During the preparation, review and approval of the FY08 Municipal Budget, the Council and staff discussed issuing bonds in mid to late 2008. However, the interest rates for long term municipal bonds are currently at or near historic lows. Issuing bonds at the current low interest rates is consistent with the Village Debt Management Policy and should result in minimizing costs to the Village. Therefore, staff recommends that the bonds be issued according to the following schedule.

Selection of a Financial Advisor (February 12 Workshop, February 19 Village Council Meeting) – The State of Illinois previously adopted changes to the state law that identifies the difference between taking competitive bids for the purchase of equipment or the process by which a government entity may take proposals for specific professional services. Under this law, the Village takes “bids” when purchasing but it may not take “bids” for professional services. The Village may take proposals that evaluate the professional capabilities of a professional services provider. However, if the Village has a “satisfactory relationship for services with one or more firms,” it is not required to take proposals. In considering proposals for professional services, the Village may consider the ability of professional personnel, past record and experience, performance data on file, willingness to meet time and budget requirements, location, workload of the firm and such other factors as the Village may determine in writing as applicable. Following a determination that the professional service provider meets the requirements of the Village, a price for services can be negotiated under state law.

The Village has publicly solicited letters of interest from financial advisors. The request for letters of interest was posted on the Village’s website at the end of January 2008. The deadline for letters of interest is Tuesday, February 5, 2008. Staff will be reviewing the qualifications of the responding firms and will present a recommendation to the Village Council at the February 12 Workshop. The Village Council will be supplied with a complete list of interested financial advisor firms at the February 12 Workshop.

IRS Reimbursement Resolution (February 12 Workshop, February 19 Village Council meeting) - Adoption of an IRS resolution is required for the Village to be able to “reimburse” project expenditures from the proceeds of a tax-exempt bond. There is no immediate fiscal impact of approving the resolution. Upon issuance of a general obligation bond, the Village may utilize bond proceeds for expenses related to the watershed infrastructure improvements as early as 60 days prior to the passage of the resolution.

Public Hearing for the Issuance of General Obligation Bonds (February 19 Village Council meeting) – The Village Council Ethical Standards Policy, adopted October 2, 2007, states that the Village may hold a public hearing prior to the adoption of an ordinance imposing a tax that is not authorized under the provisions of the Illinois Municipal Code for municipalities that are not home rule. While the issuance of bonds does not constitute the imposition of a tax, the Village Manager recommends that the Council hold a public hearing to meet the spirit and intent of the policy. The public hearing would be held at the February 19 Council meeting.

Issuance of the General Obligation Bonds (March 2008) – The Ordinance authorizing the issuance of General Obligation bonds will likely be ready for Village Council consideration in March. The exact date of the bond issuance will be determined once the Financial Advisor has been selected and establishes a recommended schedule. Given the current environment for municipal bonds with low interest rates, the issuance of the bonds for stormwater infrastructure may be accompanied by the refunding/refinancing of

existing debt to the extent that it would be financial beneficial to the Village to concurrently refund or refinance existing debt .

**ATTACHMENTS**

Presentation from Northern Trust dated November 20, 2007



*Presentation to:*

*The Village of Downers Grove*



# *Stormwater Financing Analysis*

November 20, 2007



# Table of Contents

- ▶ Section 1 - Financing Capacity
- ▶ Section 2 - Potential Credit/Ratings Impact
- ▶ Section 3 - Refunding Opportunities



## *Section 1 – Financing Capacity*

# Stormwater Financing Assumptions

## Structure

- **Structure** – Issue fixed rate bonds supported by ‘AAA’ bond insurance.
- **Timing** – Assumed three bond issuances with anticipated delivery dates of July 1, 2008, January 1, 2012 and January 1, 2015.
- **Amortization** – Total amortization of 30-years. The 2008 issue will amortize over 30 years, the 2012 bond issue will amortize over 26 years and the 2015 bond issue will amortize over 23 years.

## Fees

- **Bond Insurance** – Northern expects ‘AAA’ bond insurance fees to range from 15 basis points to 25 basis points. Our analysis assumes a bond insurance premium of 18 basis points.
- **Costs of Issuance** – Excluding bond insurance premium fees, our analysis assumes total cost of issuance to be \$10.00/\$1,000.

## Interest Rates

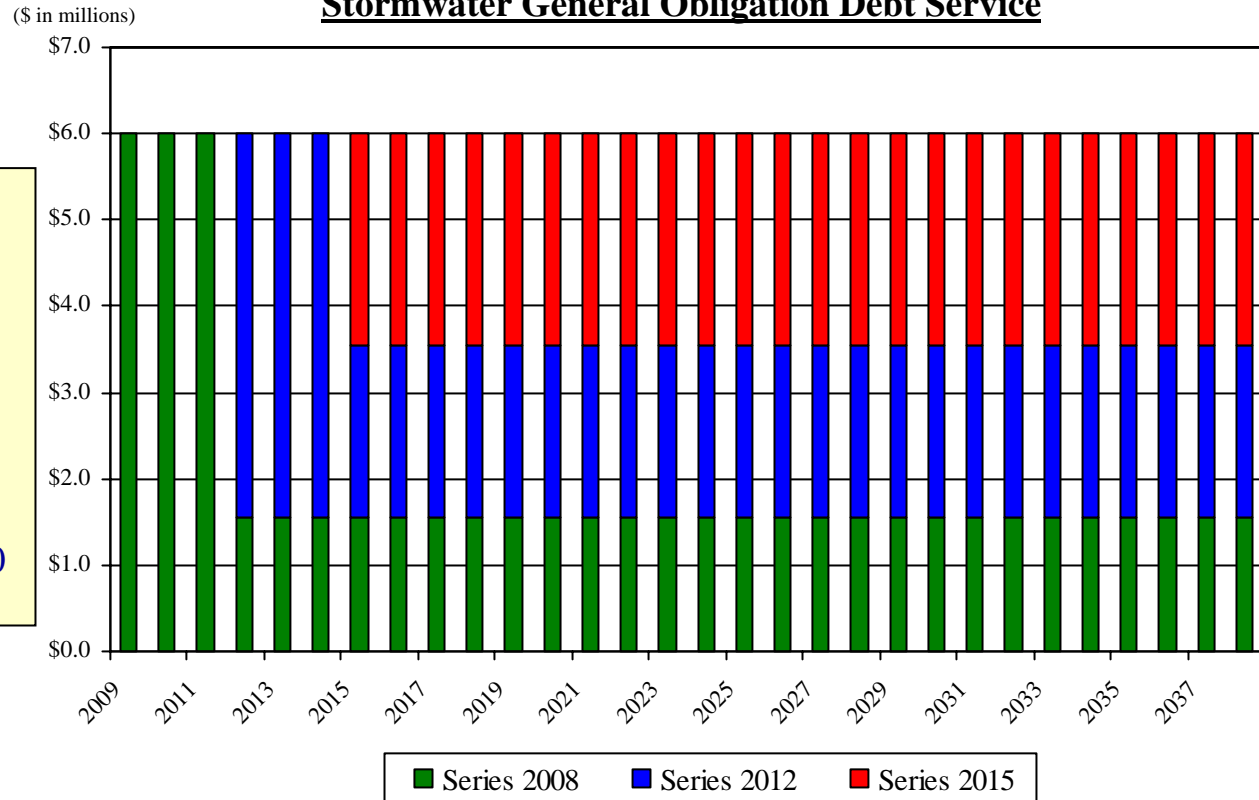
- **Scale** – Our analysis reflects a ‘AAA’ insured tax-exempt non-bank qualified fixed rate scale as of November 12, 2007. The Series 2008 Bonds have an average coupon of 4.41%.
- **Future Interest Rates** – The 2012 issue reflects a 25 basis point increase from the 2008 scale and the 2015 issue reflects a 25 basis point increase from the 2012 scale.



# \$6.0 million Debt Service Scenario

- ◆ \$6.0 million in debt service can potentially support up to **\$108,254,000** of project costs plus costs of issuance.

**Stormwater General Obligation Debt Service**



Net Proceeds by Series

Series 2008 - \$37,512,000

Series 2012 - \$36,649,000

Series 2015 - \$34,093,000

Total Net Proceeds - \$108,254,000

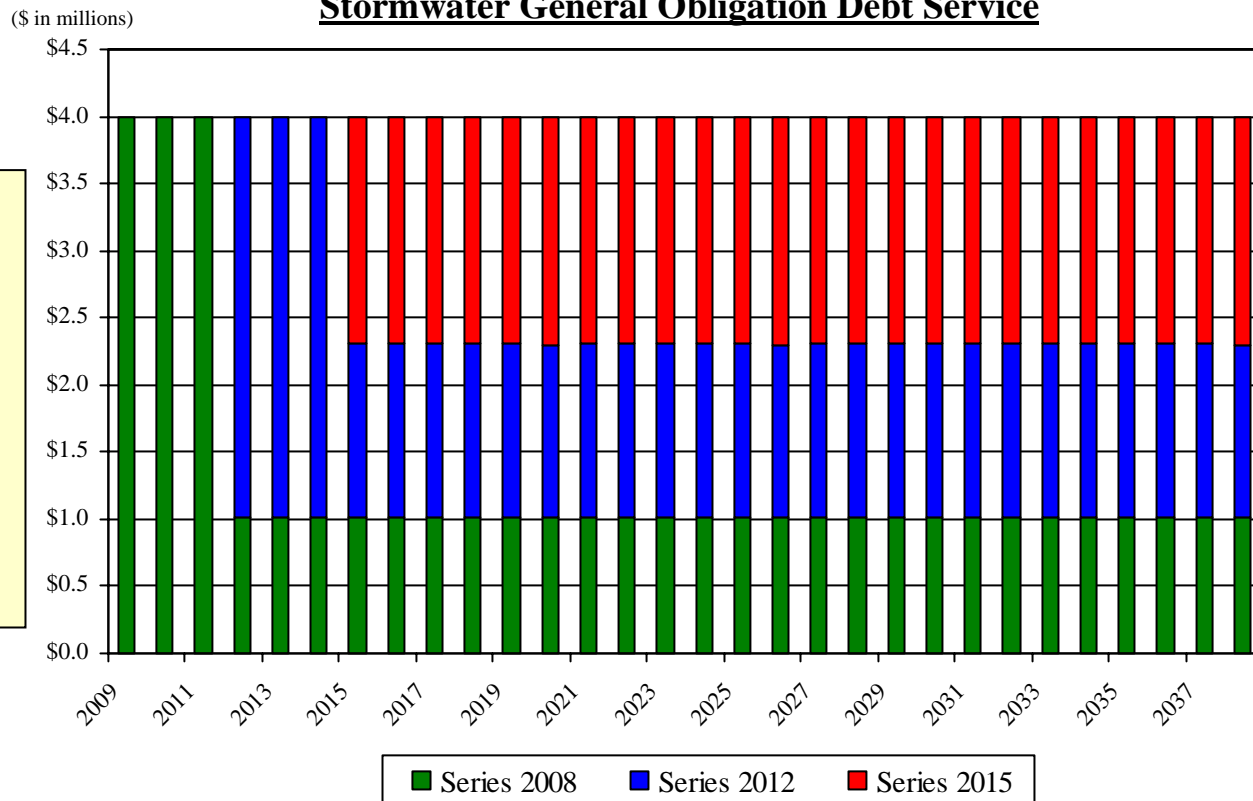
**Note:**

Series 2008 All-inclusive Cost: 4.50%  
 Series 2012 All-inclusive Cost: 4.73%  
 Series 2015 All-inclusive Cost: 4.95%

# \$4.0 million Debt Service Scenario

- ◆ \$4.0 million in debt service can potentially support up to **\$72,267,000** in project costs plus costs of issuance.

**Stormwater General Obligation Debt Service**



Net Proceeds by Series

Series 2008 - \$24,679,000

Series 2012 - \$24,124,000

Series 2015 - \$23,464,000

Total Net Proceeds - \$72,267,000

**Note:**

Series 2008 All-inclusive Cost: 4.50%

Series 2012 All-inclusive Cost: 4.73%

Series 2015 All-inclusive Cost: 4.95%



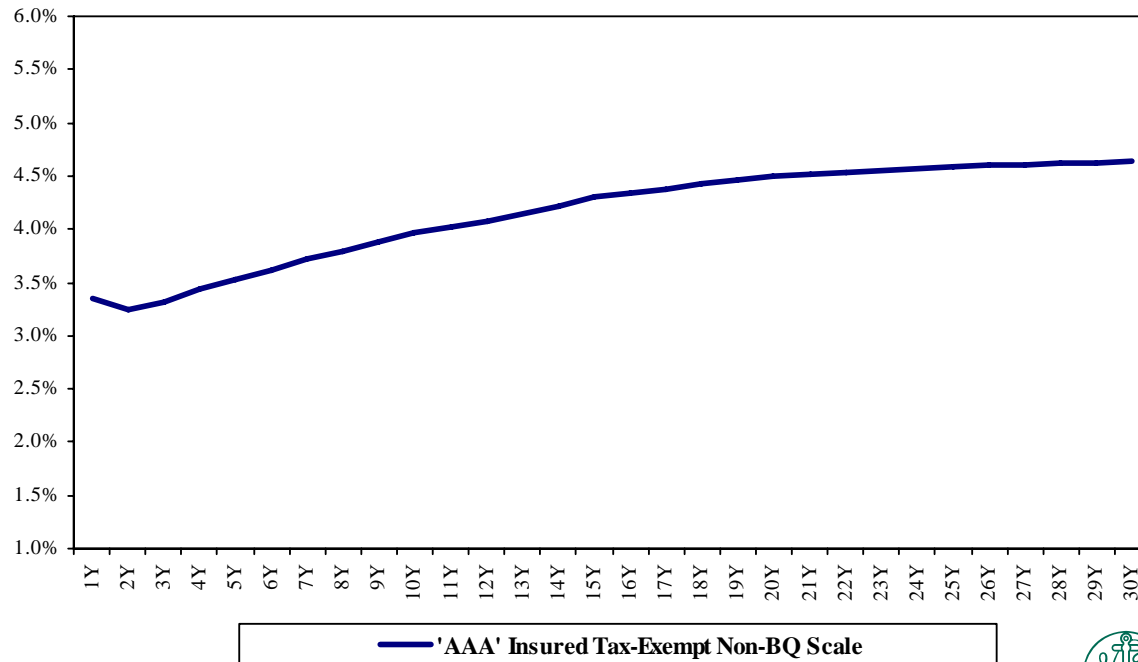
Northern Trust

# Protecting Against Rising Interest Rates

- ◆ To mitigate the risk of rising interest rates between now and the anticipated future bond issuances, the Village of Downers Grove can utilize a financing vehicle called a “Rate-Lock”.
- ◆ A Rate-Lock locks in current debt service levels for a future bond issuance, but there is a cost to the Rate-Lock.
- ◆ A Rate-Lock to July 1, 2008 would cost the Village approximately **8 basis points**.
  - Our analysis assumes the Series 2008 bonds are issued at current interest rates with an average coupon of 4.41%. With a Rate-Lock, the Village could lock-in to debt service levels at an average coupon of 4.49%.
- ◆ A Rate-Lock to January 1, 2012 would cost the Village approximately **40 basis points**.
  - Our analysis assumes the Series 2012 bonds are issued with an average coupon of 4.63%. With a Rate-Lock, the Village could lock-in to debt service levels at an average coupon of 4.81%.

# Current Market Environment & Projected Interest Rate Movement

- ◆ Currently the tax-exempt yield curve is relatively flat versus historic averages.
- ◆ The spread between the 30-year maturity and the 20-year maturity is only 15 basis points. Thus the cost to borrow out 30-years versus 20-years is very low in the current interest rate environment.
- ◆ Northern's economist's expect interest rates to decrease over the next 2 quarters and to remain relatively steady through fiscal year 2008. Northern's economists are projecting two additional 25 basis point cuts in the Federal Funds rate in the first and second quarter of 2008.



# Historic Interest Rates

- ◆ The chart and graph below detail the historic average of the Bond Buyer 20-year General Government Index that consists of 'AA' rated 20-year general obligation secured debt.

| Historical Interest Rates |            |
|---------------------------|------------|
|                           | 20-Year GO |
| <b>Current:</b>           | 4.54%      |
| <b>Average:</b>           |            |
| 1-Year                    | 4.34%      |
| 3-Year                    | 4.40%      |
| 5-Year                    | 4.54%      |
| 10-Year                   | 4.92%      |
| <b>10-Year High:</b>      | 6.09%      |
| <b>10-Year Low:</b>       | 4.03%      |



- ◆ The current 20-year G.O. rate is 4.54% which is equal to the 5-year historic average and 38 basis points below the 10-year historic average.



## *Section 2 – Potential Credit/Ratings Impact*



# Impact on Credit/Ratings

- ◆ The Village of Downers Grove is currently rated AA+ by Standard and Poor's.
- ◆ Assuming \$6.0 million of revenues are allocated to pay debt service on the Stormwater Bonds, at current interest rate levels the Village could finance \$109,675,000 of bonds (net proceeds plus total costs of issuance) over three separate bond issuances from 2008 through 2015.
- ◆ In addition to the Stormwater Bonds, the Village anticipates the need to issue an estimated \$60 million to fund other projects including a new Village Hall and a new Police Station.
- ◆ Based on the anticipated bond issuances over the next 10 years, Northern has analyzed the potential impact on the Village's rating focusing on four critical ratios:
  - Debt to Valuation
  - Debt per Capita
  - Amortization over 5 years
  - Amortization over 10 years

# Base Case - \$6 million Debt Service

- ◆ Standard and Poor's rating methodology uses the following guidelines:

| Debt to Valuation    |         | Debt per Capita |                   | Amortization |       |
|----------------------|---------|-----------------|-------------------|--------------|-------|
| Low Debt Burden      | ≤ 3%    | Low             | \$1,000           | 5-Years      | 25.0% |
| Moderate Debt Burden | 3% - 6% | Moderate        | \$1,000 - \$2,500 | 10-Years     | 50.0% |
| High Debt Burden     | ≥ 6%    | High            | ≥ \$2,500         |              |       |

| Valuation and Population (\$ in millions) |             |             |             |             |             |             |              |              |              |              |              |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
|   | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | 2013         | 2014         | 2015         | 2016         | 2017         |
| Valuation                                 | \$6,668,625 | \$7,200,291 | \$7,774,345 | \$8,394,165 | \$9,063,402 | \$9,785,994 | \$10,566,197 | \$11,408,602 | \$12,318,169 | \$13,300,252 | \$14,360,634 |
| Valuation Growth                          |             | 7.97%       | 7.97%       | 7.97%       | 7.97%       | 7.97%       | 7.97%        | 7.97%        | 7.97%        | 7.97%        | 7.97%        |
| Population (2002)                         | 49,403      | 49,615      | 49,829      | 50,043      | 50,258      | 50,474      | 50,691       | 50,909       | 51,128       | 51,348       | 51,569       |
| Population Growth                         |             | 0.43%       | 0.43%       | 0.43%       | 0.43%       | 0.43%       | 0.43%        | 0.43%        | 0.43%        | 0.43%        | 0.43%        |

| Non-Self Supported General Obligation Debt |                    |                     |                     |                     |                     |                     |                      |                      |                      |                      |                      |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2007               | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
| Library (Series 2003)                      | \$5,475,000        | \$5,000,000         | \$4,510,000         | \$4,005,000         | \$3,485,000         | \$2,950,000         | \$2,395,000          | \$1,825,000          | \$1,240,000          | \$630,000            | \$0                  |
| Stormwater (Series 2008)                   |                    | \$38,000,000        | \$33,510,000        | \$28,870,000        | \$24,080,000        | \$23,575,000        | \$23,050,000         | \$22,510,000         | \$21,950,000         | \$21,370,000         | \$20,765,000         |
| Stormwater (Series 2012)                   |                    |                     |                     |                     |                     | \$37,130,000        | \$34,285,000         | \$31,340,000         | \$28,290,000         | \$27,590,000         | \$26,865,000         |
| Stormwater (Series 2015)                   |                    |                     |                     |                     |                     |                     |                      |                      | \$34,545,000         | \$33,700,000         | \$32,820,000         |
| Village Hall (Series 2013)                 |                    |                     |                     |                     |                     |                     | \$30,000,000         | \$29,460,000         | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| Police Station (Series 2013)               |                    |                     |                     |                     |                     |                     | \$30,000,000         | \$29,460,000         | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| <b>TOTAL</b>                               | <b>\$5,475,000</b> | <b>\$43,000,000</b> | <b>\$38,020,000</b> | <b>\$32,875,000</b> | <b>\$27,565,000</b> | <b>\$63,655,000</b> | <b>\$119,730,000</b> | <b>\$114,595,000</b> | <b>\$143,825,000</b> | <b>\$139,940,000</b> | <b>\$135,910,000</b> |

|                                   |                 |                 |                 |                 |                 |                   |                   |                   |                   |                   |                   |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Debt/Valuation</b>             | <b>0.1%</b>     | <b>0.6%</b>     | <b>0.5%</b>     | <b>0.4%</b>     | <b>0.3%</b>     | <b>0.7%</b>       | <b>1.1%</b>       | <b>1.0%</b>       | <b>1.2%</b>       | <b>1.1%</b>       | <b>0.9%</b>       |
| <b>Debt Per Capita</b>            | <b>\$110.82</b> | <b>\$866.67</b> | <b>\$763.01</b> | <b>\$656.93</b> | <b>\$548.47</b> | <b>\$1,261.14</b> | <b>\$2,361.94</b> | <b>\$2,250.96</b> | <b>\$2,813.02</b> | <b>\$2,725.32</b> | <b>\$2,635.50</b> |
| <b>Amortization over 5 Years</b>  | <b>46.1%</b>    | <b>52.1%</b>    | <b>41.5%</b>    | <b>36.7%</b>    | <b>30.2%</b>    | <b>24.8%</b>      | <b>15.9%</b>      | <b>14.5%</b>      | <b>13.1%</b>      | <b>13.5%</b>      | <b>14.0%</b>      |
| <b>Amortization over 10 Years</b> | <b>100.0%</b>   | <b>100.0%</b>   | <b>52.6%</b>    | <b>48.1%</b>    | <b>41.9%</b>    | <b>36.3%</b>      | <b>28.0%</b>      | <b>27.6%</b>      | <b>28.0%</b>      | <b>29.5%</b>      | <b>31.1%</b>      |

**Notes:**

Valuation reflects 3x Equalized Assessed Valuation as of audited financials as of April 30, 2006.

Valuation growth assumes 5-year compounded annual growth rate of Equalized Assessed Valuation of 7.97% from 2002 through 2006.

Population as of 2002 census.

Population growth assumes 10-year compounded annual growth rate of 0.43% from 1990 through 2000.

- ◆ The Village's Debt/Valuation will not change from its low debt burden (maximum of 1.2%).
- ◆ The Village's Debt per capita will increase from low to high (maximum of \$2,813).
- ◆ Debt Amortization will fall below S&P guidelines for both the 5-year and 10-year periods.





# Conservative Case - \$6 million Debt Service

- ◆ Standard and Poor's rating methodology uses the following guidelines:

| Debt to Valuation    |         | Debt per Capita |                   | Amortization |       |
|----------------------|---------|-----------------|-------------------|--------------|-------|
| Low Debt Burden      | ≤ 3%    | Low             | \$1,000           | 5-Years      | 25.0% |
| Moderate Debt Burden | 3% - 6% | Moderate        | \$1,000 - \$2,500 | 10-Years     | 50.0% |
| High Debt Burden     | ≥ 6%    | High            | ≥ \$2,500         |              |       |

| Valuation and Population (\$ in millions) |             |             |             |             |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | 2017        |
| Valuation                                 | \$6,668,625 | \$6,934,458 | \$7,210,888 | \$7,498,337 | \$7,797,245 | \$8,108,068 | \$8,431,282 | \$8,767,380 | \$9,116,876 | \$9,480,304 | \$9,858,219 |
| Valuation Growth                          |             | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       |
| Population (2002)                         | 49,403      | 49,509      | 49,616      | 49,722      | 49,829      | 49,936      | 50,044      | 50,151      | 50,259      | 50,367      | 50,476      |
| Population Growth                         |             | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       |

| Non-Self Supported General Obligation Debt |                    |                     |                     |                     |                     |                     |                      |                      |                      |                      |                      |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2007               | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
| Library (Series 2003)                      | \$5,475,000        | \$5,000,000         | \$4,510,000         | \$4,005,000         | \$3,485,000         | \$2,950,000         | \$2,395,000          | \$1,825,000          | \$1,240,000          | \$630,000            | \$0                  |
| Stormwater (Series 2008)                   |                    | \$38,000,000        | \$33,510,000        | \$28,870,000        | \$24,080,000        | \$23,575,000        | \$23,050,000         | \$22,510,000         | \$21,950,000         | \$21,370,000         | \$20,765,000         |
| Stormwater (Series 2012)                   |                    |                     |                     |                     |                     | \$37,130,000        | \$34,285,000         | \$31,340,000         | \$28,290,000         | \$27,590,000         | \$26,865,000         |
| Stormwater (Series 2015)                   |                    |                     |                     |                     |                     |                     |                      |                      | \$34,545,000         | \$33,700,000         | \$32,820,000         |
| Village Hall (Series 2013)                 |                    |                     |                     |                     |                     |                     | \$30,000,000         | \$29,460,000         | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| Police Station (Series 2013)               |                    |                     |                     |                     |                     |                     | \$30,000,000         | \$29,460,000         | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| <b>TOTAL</b>                               | <b>\$5,475,000</b> | <b>\$43,000,000</b> | <b>\$38,020,000</b> | <b>\$32,875,000</b> | <b>\$27,565,000</b> | <b>\$63,655,000</b> | <b>\$119,730,000</b> | <b>\$114,595,000</b> | <b>\$143,825,000</b> | <b>\$139,940,000</b> | <b>\$135,910,000</b> |

|                                   |                 |                 |                 |                 |                 |                   |                   |                   |                   |                   |                   |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Debt/Valuation</b>             | <b>0.1%</b>     | <b>0.6%</b>     | <b>0.5%</b>     | <b>0.4%</b>     | <b>0.4%</b>     | <b>0.8%</b>       | <b>1.4%</b>       | <b>1.3%</b>       | <b>1.6%</b>       | <b>1.5%</b>       | <b>1.4%</b>       |
| <b>Debt Per Capita</b>            | <b>\$110.82</b> | <b>\$868.53</b> | <b>\$766.29</b> | <b>\$661.17</b> | <b>\$553.19</b> | <b>\$1,274.72</b> | <b>\$2,392.51</b> | <b>\$2,284.98</b> | <b>\$2,861.67</b> | <b>\$2,778.39</b> | <b>\$2,692.59</b> |
| <b>Amortization over 5 Years</b>  | <b>46.1%</b>    | <b>52.1%</b>    | <b>41.5%</b>    | <b>36.7%</b>    | <b>30.2%</b>    | <b>24.8%</b>      | <b>15.9%</b>      | <b>14.5%</b>      | <b>13.1%</b>      | <b>13.5%</b>      | <b>14.0%</b>      |
| <b>Amortization over 10 Years</b> | <b>100.0%</b>   | <b>100.0%</b>   | <b>52.6%</b>    | <b>48.1%</b>    | <b>41.9%</b>    | <b>36.3%</b>      | <b>28.0%</b>      | <b>27.6%</b>      | <b>28.0%</b>      | <b>29.5%</b>      | <b>31.1%</b>      |

#### Notes:

Valuation reflects 3x Equalized Assessed Valuation as of audited financials as of April 30, 2006.

Valuation growth assumes 50% of 5-year compounded annual growth rate of Equalized Assessed Valuation of 7.97% from 2002 through 2006.

Population as of 2002 census.

Population growth assumes 50% of 10-year compounded annual growth rate of 0.43% from 1990 through 2000.

- ◆ The Village's Debt/Valuation will not change from its low debt burden (maximum of 1.6%).
- ◆ The Village's Debt per capital will increase from low to high (maximum of \$2,862).
- ◆ Debt Amortization will fall below S&P guidelines for both the 5-year and 10-year periods.



# Standard & Poor's Ratings Guidelines

- ◆ The table below details median ratios based on Standard & Poor's credit ratings.

| <b>Cities with Populations Between 20,000 and 150,000</b> |   |  |
|---|---|--|
|   | <b>Net Direct Debt as a %<br/>of Market Value</b> | <b>Overall Net Debt per<br/>Capita</b> |
| <b>'AAA'</b>  | 0.7%  | \$2,905                                |
| <b>'AA'</b>   | 1.0%  | \$2,283                                |
| <b>'A'</b>  | 1.5%  | \$2,054                                |
| <b>'BBB'</b>  | 2.3%  | \$1,994                                |

# Comparable Dupage County Municipalities

- ◆ The Village of Downers Grove is currently rated AA+ by Standard and Poor's.

| Municipality         | As of       | Non-Self Support<br>Debt Outstanding | Valuation              | Debt/<br>Valuation | Population    | Debt per<br>Capita | 5-Yr.<br>Amortization | 10-Yr.<br>Amortization |
|----------------------|-------------|--------------------------------------|------------------------|--------------------|---------------|--------------------|-----------------------|------------------------|
| <b>Downers Grove</b> | <b>2007</b> | <b>\$5,475,000</b>                   | <b>\$6,668,625,498</b> | <b>0.1%</b>        | <b>49,403</b> | <b>\$111</b>       | <b>46.1%</b>          | <b>100.0%</b>          |
| Darien               | 2005        | \$8,425,000                          | \$2,488,748,940        | 0.3%               | 22,860        | \$369              | 30.9%                 | 67.2%                  |
| Elmhurst             | 2006        | \$11,235,000                         | \$6,093,065,385        | 0.2%               | 42,762        | \$263              | 30.0%                 | 76.9%                  |
| Lombard              | 2005        | \$24,120,000                         | \$4,243,029,867        | 0.6%               | 42,322        | \$570              | 80.6%                 | 100.0%                 |
| Westmont             | 2007        | \$0                                  | NA                     | NA                 | NA            | NA                 | NA                    | NA                     |
| Wheaton              | 2006        | \$35,145,000                         | \$5,878,446,354        | 0.6%               | 55,416        | \$634              | 30.0%                 | 63.3%                  |
| Woodridge            | 2006        | \$3,579,800                          | \$3,210,224,973        | 0.1%               | 30,934        | \$116              | 60.0%                 | 100.0%                 |
| <b>AVERAGE</b>       |             | <b>\$12,568,543</b>                  | <b>\$4,763,690,170</b> | <b>0.3%</b>        | <b>40,616</b> | <b>\$344</b>       | <b>46.3%</b>          | <b>84.6%</b>           |

Source: Most recent CAFR for each municipality.



## *Section 3 – Refunding Opportunities*

# Refunding Analysis

- ◆ Based on interest rates as of November 12, 2007, Northern has performed a comprehensive refunding analysis on the Village of Downer's Grove outstanding debt on a maturity-by-maturity basis.
- ◆ Based on current market rates, the Village can refund \$5.11 million of outstanding bonds and generate \$173,134 of present value savings or 3.388%.

| Refunding Summary                       |                  |
|---|------------------|
| Par Amount                              | \$5,190,000      |
| Premium                                 | \$251,248        |
| Refunded Par Amount                     | \$5,110,000      |
| Average Coupon                          | 4.811%           |
| All-in Cost                             | 4.332%           |
| <i>Present Value Savings (\$)</i>       | <i>\$173,134</i> |
| <i>PV Savings (% of refunded bonds)</i> | <i>3.388%</i>    |

**Notes:**

Reflects interest rates as of November 12, 2007. Assumes bond insurance premium of 18 basis points and total cost of issuance of \$10.00/\$1,000.



# Summary of Refunded Bonds

- ◆ The table below detail the bonds that would be refunded.

| Series 1999 (Parking) |           |        |           |            |
|-----------------------|-----------|--------|-----------|------------|
| Maturity              | Principal | Coupon | Call Date | Call Price |
| 1/1/2012              | \$350,000 | 5.000% | 1/1/2009  | 100.0%     |
| 1/1/2013              | \$400,000 | 5.000% | 1/1/2009  | 100.0%     |

| Series 2000 (TIF) |           |        |           |            |
|-------------------|-----------|--------|-----------|------------|
| Maturity          | Principal | Coupon | Call Date | Call Price |
| 1/1/2012          | \$265,000 | 5.700% | 1/1/2010  | 100.0%     |
| 1/1/2013          | \$320,000 | 5.375% | 1/1/2010  | 100.0%     |
| 1/1/2014          | \$55,000  | 5.400% | 1/1/2010  | 100.0%     |

| Series 2001 (TIF) |             |        |           |            |
|-------------------|-------------|--------|-----------|------------|
| Maturity          | Principal   | Coupon | Call Date | Call Price |
| 1/1/2020          | \$1,530,000 | 5.125% | 1/1/2011  | 100.0%     |

| Series 2003A (TIF) |             |        |           |            |
|--------------------|-------------|--------|-----------|------------|
| Maturity           | Principal   | Coupon | Call Date | Call Price |
| 1/1/2020           | \$1,070,000 | 5.000% | 1/1/2009  | 100.0%     |
| 1/1/2021           | \$1,120,000 | 5.000% | 1/1/2009  | 100.0%     |



## *Miscellaneous Information*

# Base Case - \$4 million Debt Service

- ◆ Standard and Poor's rating methodology uses the following guidelines:

| Debt to Valuation    |         | Debt per Capita |                   | Amortization |       |
|----------------------|---------|-----------------|-------------------|--------------|-------|
| Low Debt Burden      | ≤ 3%    | Low             | \$1,000           | 5-Years      | 25.0% |
| Moderate Debt Burden | 3% - 6% | Moderate        | \$1,000 - \$2,500 | 10-Years     | 50.0% |
| High Debt Burden     | ≥ 6%    | High            | ≥ \$2,500         |              |       |

|                   | Valuation and Population (\$ in millions) |             |             |             |             |             |              |              |              |              |              |
|-------------------|---|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
|                   | 2007                                      | 2008        | 2009        | 2010        | 2011        | 2012        | 2013         | 2014         | 2015         | 2016         | 2017         |
| Valuation         | \$6,668,625                               | \$7,200,291 | \$7,774,345 | \$8,394,165 | \$9,063,402 | \$9,785,994 | \$10,566,197 | \$11,408,602 | \$12,318,169 | \$13,300,252 | \$14,360,634 |
| Valuation Growth  |   | 7.97%       | 7.97%       | 7.97%       | 7.97%       | 7.97%       | 7.97%        | 7.97%        | 7.97%        | 7.97%        | 7.97%        |
| Population (2002) | 49,403                                    | 49,615      | 49,829      | 50,043      | 50,258      | 50,474      | 50,691       | 50,909       | 51,128       | 51,348       | 51,569       |
| Population Growth |   | 0.43%       | 0.43%       | 0.43%       | 0.43%       | 0.43%       | 0.43%        | 0.43%        | 0.43%        | 0.43%        | 0.43%        |

|                              | Non-Self Supported General Obligation Debt |                     |                     |                     |                     |                     |                     |                     |                      |                      |                      |
|------------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|                              | 2007                                       | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                 | 2016                 | 2017                 |
| Library (Series 2003)        | \$5,475,000                                | \$5,000,000         | \$4,510,000         | \$4,005,000         | \$3,485,000         | \$2,950,000         | \$2,395,000         | \$1,825,000         | \$1,240,000          | \$630,000            | \$0                  |
| Stormwater (Series 2008)     |  | \$25,000,000        | \$21,995,000        | \$18,890,000        | \$15,680,000        | \$15,350,000        | \$15,010,000        | \$14,655,000        | \$14,290,000         | \$13,910,000         | \$13,515,000         |
| Stormwater (Series 2012)     |  |                     |                     |                     |                     | \$24,440,000        | \$22,505,000        | \$20,500,000        | \$18,430,000         | \$17,975,000         | \$17,505,000         |
| Stormwater (Series 2015)     |  |                     |                     |                     |                     |                     |                     |                     | \$23,775,000         | \$23,190,000         | \$22,585,000         |
| Village Hall (Series 2013)   |  |                     |                     |                     |                     |                     | \$30,000,000        | \$29,460,000        | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| Police Station (Series 2013) |  |                     |                     |                     |                     |                     | \$30,000,000        | \$29,460,000        | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| <b>TOTAL</b>                 | <b>\$5,475,000</b>                         | <b>\$30,000,000</b> | <b>\$26,505,000</b> | <b>\$22,895,000</b> | <b>\$19,165,000</b> | <b>\$42,740,000</b> | <b>\$99,910,000</b> | <b>\$95,900,000</b> | <b>\$115,535,000</b> | <b>\$112,355,000</b> | <b>\$109,065,000</b> |

|                                   |                 |                 |                 |                 |                 |                 |                   |                   |                   |                   |                   |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Debt/Valuation</b>             | <b>0.1%</b>     | <b>0.4%</b>     | <b>0.3%</b>     | <b>0.3%</b>     | <b>0.2%</b>     | <b>0.4%</b>     | <b>0.9%</b>       | <b>0.8%</b>       | <b>0.9%</b>       | <b>0.8%</b>       | <b>0.8%</b>       |
| <b>Debt Per Capita</b>            | <b>\$110.82</b> | <b>\$604.65</b> | <b>\$531.92</b> | <b>\$457.51</b> | <b>\$381.33</b> | <b>\$846.77</b> | <b>\$1,970.95</b> | <b>\$1,883.74</b> | <b>\$2,259.71</b> | <b>\$2,188.10</b> | <b>\$2,114.94</b> |
| <b>Amortization over 5 Years</b>  | <b>46.1%</b>    | <b>52.1%</b>    | <b>43.0%</b>    | <b>38.9%</b>    | <b>33.3%</b>    | <b>27.1%</b>    | <b>15.5%</b>      | <b>14.2%</b>      | <b>13.0%</b>      | <b>13.3%</b>      | <b>13.6%</b>      |
| <b>Amortization over 10 Years</b> | <b>100.0%</b>   | <b>100.0%</b>   | <b>55.6%</b>    | <b>51.2%</b>    | <b>45.3%</b>    | <b>38.2%</b>    | <b>27.3%</b>      | <b>27.0%</b>      | <b>27.5%</b>      | <b>28.8%</b>      | <b>30.3%</b>      |

**Notes:**

Valuation reflects 3x Equalized Assessed Valuation as of audited financials as of April 30, 2006.

Valuation growth assumes 5-year compounded annual growth rate of Equalized Assessed Valuation of 7.97% from 2002 through 2006.

Population as of 2002 census.

Population growth assumes 10-year compounded annual growth rate of 0.43% from 1990 through 2000.

- ◆ The Village's Debt/Valuation will not change from its low debt burden (maximum of 0.9%).
- ◆ The Village's Debt per capita will increase from low to medium (maximum of \$2,260).
- ◆ Debt Amortization will fall below S&P guidelines for both the 5-year and 10-year periods.





# Conservative Case - \$4 million Debt Service

- ◆ Standard and Poor's rating methodology uses the following guidelines:

| Debt to Valuation    |         | Debt per Capita |                   | Amortization |       |
|----------------------|---------|-----------------|-------------------|--------------|-------|
| Low Debt Burden      | ≤ 3%    | Low             | \$1,000           | 5-Years      | 25.0% |
| Moderate Debt Burden | 3% - 6% | Moderate        | \$1,000 - \$2,500 | 10-Years     | 50.0% |
| High Debt Burden     | ≥ 6%    | High            | ≥ \$2,500         |              |       |

| Valuation and Population (\$ in millions) |             |             |             |             |             |             |              |              |              |              |              |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
|   | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | 2013         | 2014         | 2015         | 2016         | 2017         |
| Valuation                                 | \$6,668,625 | \$7,200,291 | \$7,774,345 | \$8,394,165 | \$9,063,402 | \$9,785,994 | \$10,566,197 | \$11,408,602 | \$12,318,169 | \$13,300,252 | \$14,360,634 |
| Valuation Growth                          |             | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%       | 3.99%        | 3.99%        | 3.99%        | 3.99%        | 3.99%        |
| Population (2002)                         | 49,403      | 49,509      | 49,616      | 49,722      | 49,829      | 49,936      | 50,044       | 50,151       | 50,259       | 50,367       | 50,476       |
| Population Growth                         |             | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%       | 0.22%        | 0.22%        | 0.22%        | 0.22%        | 0.22%        |

| Non-Self Supported General Obligation Debt |                    |                     |                     |                     |                     |                     |                     |                     |                      |                      |                      |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|  | 2007               | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                 | 2016                 | 2017                 |
| Library (Series 2003)                      | \$5,475,000        | \$5,000,000         | \$4,510,000         | \$4,005,000         | \$3,485,000         | \$2,950,000         | \$2,395,000         | \$1,825,000         | \$1,240,000          | \$630,000            | \$0                  |
| Stormwater (Series 2008)                   |                    | \$25,000,000        | \$21,995,000        | \$18,890,000        | \$15,680,000        | \$15,350,000        | \$15,010,000        | \$14,655,000        | \$14,290,000         | \$13,910,000         | \$13,515,000         |
| Stormwater (Series 2012)                   |                    |                     |                     |                     |                     | \$24,440,000        | \$22,505,000        | \$20,500,000        | \$18,430,000         | \$17,975,000         | \$17,505,000         |
| Stormwater (Series 2015)                   |                    |                     |                     |                     |                     |                     |                     |                     | \$23,775,000         | \$23,190,000         | \$22,585,000         |
| Village Hall (Series 2013)                 |                    |                     |                     |                     |                     |                     | \$30,000,000        | \$29,460,000        | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| Police Station (Series 2013)               |                    |                     |                     |                     |                     |                     | \$30,000,000        | \$29,460,000        | \$28,900,000         | \$28,325,000         | \$27,730,000         |
| <b>TOTAL</b>                               | <b>\$5,475,000</b> | <b>\$30,000,000</b> | <b>\$26,505,000</b> | <b>\$22,895,000</b> | <b>\$19,165,000</b> | <b>\$42,740,000</b> | <b>\$99,910,000</b> | <b>\$95,900,000</b> | <b>\$115,535,000</b> | <b>\$112,355,000</b> | <b>\$109,065,000</b> |

|                                   |                 |                 |                 |                 |                 |                 |                   |                   |                   |                   |                   |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Debt/Valuation</b>             | <b>0.1%</b>     | <b>0.4%</b>     | <b>0.3%</b>     | <b>0.3%</b>     | <b>0.2%</b>     | <b>0.4%</b>     | <b>0.9%</b>       | <b>0.8%</b>       | <b>0.9%</b>       | <b>0.8%</b>       | <b>0.8%</b>       |
| <b>Debt Per Capita</b>            | <b>\$110.82</b> | <b>\$605.95</b> | <b>\$534.21</b> | <b>\$460.46</b> | <b>\$384.61</b> | <b>\$855.89</b> | <b>\$1,996.45</b> | <b>\$1,912.21</b> | <b>\$2,298.79</b> | <b>\$2,230.72</b> | <b>\$2,160.75</b> |
| <b>Amortization over 5 Years</b>  | <b>46.1%</b>    | <b>52.1%</b>    | <b>43.0%</b>    | <b>38.9%</b>    | <b>33.3%</b>    | <b>27.1%</b>    | <b>15.5%</b>      | <b>14.2%</b>      | <b>13.0%</b>      | <b>13.3%</b>      | <b>13.6%</b>      |
| <b>Amortization over 10 Years</b> | <b>100.0%</b>   | <b>100.0%</b>   | <b>55.6%</b>    | <b>51.2%</b>    | <b>45.3%</b>    | <b>38.2%</b>    | <b>27.3%</b>      | <b>27.0%</b>      | <b>27.5%</b>      | <b>28.8%</b>      | <b>30.3%</b>      |

**Notes:**

Valuation reflects 3x Equalized Assessed Valuation as of audited financials as of April 30, 2006.

Valuation growth assumes 50% of 5-year compounded annual growth rate of Equalized Assessed Valuation of 7.97% from 2002 through 2006.

Population as of 2002 census.

Population growth assumes 50% of 10-year compounded annual growth rate of 0.43% from 1990 through 2000.

- ◆ The Village's Debt/Valuation will not change from its low debt burden (maximum of 0.9%).
- ◆ The Village's Debt per capital will increase from low to medium (maximum of \$2,299).
- ◆ Debt Amortization will fall below S&P guidelines for both the 5-year and 10-year periods.



# Financing Sensitivity Matrix

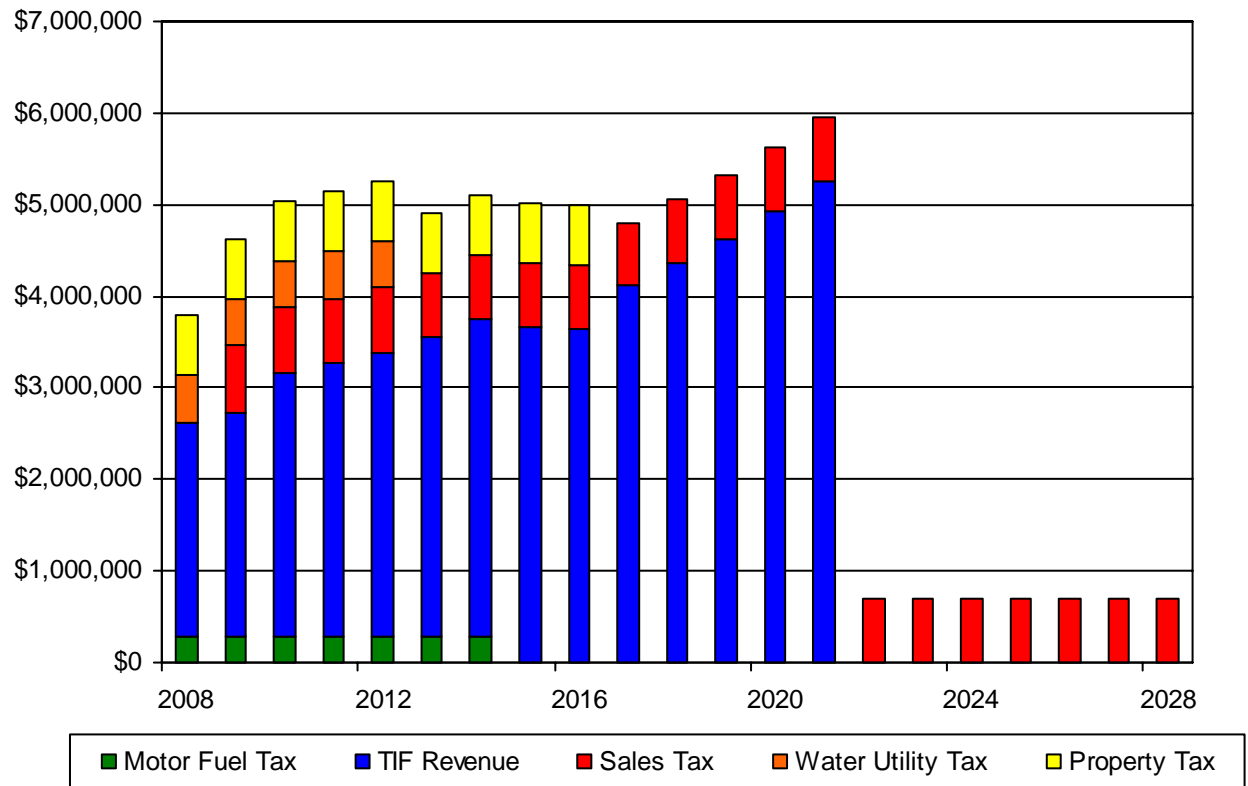
- ◆ The table below shows the total net proceeds that can be raised through the three stormwater financings based on: (1) Debt Service; and (2) Movement in Interest Rates.

| Debt Service | Total Net Proceeds |               |               |               |               |                      |               |               |               |               |              |
|--------------|--------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|--------------|
|              | - 100 bps          | - 80 bps      | - 60 bps      | - 40 bps      | - 20 bps      | Base Case            | + 20 bps      | + 40 bps      | + 60 bps      | + 80 bps      | + 100 bps    |
| \$1,000,000  | \$19,827,893       | \$19,457,175  | \$19,093,389  | \$18,736,404  | \$18,386,094  | \$18,042,333         | \$17,705,000  | \$17,373,974  | \$17,049,137  | \$16,730,373  | \$16,417,569 |
| \$1,500,000  | \$29,741,839       | \$29,185,763  | \$28,640,083  | \$28,104,606  | \$27,579,141  | \$27,063,500         | \$26,557,500  | \$26,060,961  | \$25,573,705  | \$25,095,559  | \$24,626,353 |
| \$2,000,000  | \$39,655,785       | \$38,914,350  | \$38,186,778  | \$37,472,808  | \$36,772,188  | \$36,084,667         | \$35,410,000  | \$34,747,947  | \$34,098,273  | \$33,460,746  | \$32,835,138 |
| \$2,500,000  | \$49,569,731       | \$48,642,938  | \$47,733,472  | \$46,841,010  | \$45,965,235  | \$45,105,833         | \$44,262,500  | \$43,434,934  | \$42,622,841  | \$41,825,932  | \$41,043,922 |
| \$3,000,000  | \$59,483,678       | \$58,371,525  | \$57,280,166  | \$56,209,212  | \$55,158,282  | \$54,127,000         | \$53,115,000  | \$52,121,921  | \$51,147,410  | \$50,191,118  | \$49,252,707 |
| \$3,500,000  | \$69,397,624       | \$68,100,113  | \$66,826,861  | \$65,577,414  | \$64,351,329  | \$63,148,167         | \$61,967,500  | \$60,808,908  | \$59,671,978  | \$58,556,305  | \$57,461,491 |
| \$4,000,000  | \$79,311,570       | \$77,828,700  | \$76,373,555  | \$74,945,616  | \$73,544,376  | <b>\$72,267,000</b>  | \$70,820,000  | \$69,495,895  | \$68,196,546  | \$66,921,491  | \$65,670,275 |
| \$4,500,000  | \$89,225,517       | \$87,557,288  | \$85,920,249  | \$84,313,818  | \$82,737,422  | \$81,190,500         | \$79,672,500  | \$78,182,882  | \$76,721,114  | \$75,286,678  | \$73,879,060 |
| \$5,000,000  | \$99,139,463       | \$97,285,875  | \$95,466,944  | \$93,682,020  | \$91,930,469  | \$90,211,667         | \$88,525,000  | \$86,869,869  | \$85,245,683  | \$83,651,864  | \$82,087,844 |
| \$5,500,000  | \$109,053,409      | \$107,014,463 | \$105,013,638 | \$103,050,223 | \$101,123,516 | \$99,232,833         | \$97,377,500  | \$95,556,855  | \$93,770,251  | \$92,017,050  | \$90,296,629 |
| \$6,000,000  | \$118,967,356      | \$116,743,050 | \$114,560,333 | \$112,418,425 | \$110,316,563 | <b>\$108,254,000</b> | \$106,230,000 | \$104,243,842 | \$102,294,819 | \$100,382,237 | \$98,505,413 |

**Note:**  
Base case assumes the Series 2008 Bonds are issued at interest rates as of November 12, 2007, the Series 2012 Bonds assume a 25 basis point increase from the November 12, 2007 scale and the Series 2015 Bonds assume a 50 basis point increase from the November 12, 2007 scale.

# Village of Downers Grove Debt Service Overview

- ◆ The graph to the right illustrates the Village's outstanding debt service.
- ◆ The Village has \$48.7 million of principal outstanding through 2028.
- ◆ The Village has \$75.5 million of total debt service due through 2028.
- ◆ The average annual debt service from 2008 to 2021 is \$5.0 million.



# Debt Chart

|                 | \$3,000,000<br>Village of Downers Grove<br>General Obligation Bonds<br>Motor Fuel Tax<br>Series 1998 |        | \$6,500,000<br>Village of Downers Grove<br>General Obligation Bonds<br>TIF Revenue<br>Series 1999 |        | \$6,200,000<br>Village of Downers Grove<br>General Obligation Bonds<br>TIF Revenue<br>Series 2000 |        | \$6,000,000<br>Village of Downers Grove<br>General Obligation Bonds<br>TIF Revenue<br>Series 2001 |        |
|-----------------|--|--------|---|--------|---|--------|---|--------|
|                 | Aa2  |        | Aa2   |        | AAA/AAA   |        | Aa2   |        |
|                 | Principal  | Coupon | Principal   | Coupon | Principal   | Coupon | Principal   | Coupon |
|                 | January 1  |        | January 1   |        | January 1   |        | January 1   |        |
| 2008            | 210,000  | 3.800% | 130,000   | 4.700% | 85,000  | 6.000% | 40,000  | 4.500% |
| 2009            | 215,000  | 3.900% | 195,000   | 4.800% | 145,000   | 6.000% | 20,000  | 4.500% |
| 2010            | 225,000  | 3.900% | 250,000   | 4.900% | 170,000   | 6.000% | 60,000  | 4.750% |
| 2011            | 240,000  | 4.000% | 320,000   | 4.950% | 225,000   | 6.000% | 65,000  | 4.750% |
| 2012            | 250,000  | 4.000% | 350,000   | 5.000% | 265,000   | 5.700% | 135,000   | 4.750% |
| 2013            | 260,000  | 4.000% | 400,000   | 5.000% | 320,000   | 5.375% | 185,000   | 5.000% |
| 2014            | 275,000  | 4.000% |   | 5.050% | 55,000  | 5.400% | 255,000   | 5.000% |
| 2015            |  |        |   | 5.050% |   | 5.400% | 150,000   | 5.000% |
| 2016            |  |        |   | 5.150% |   | 5.500% | 135,000   | 5.000% |
| 2017            |  |        |   | 5.200% |   | 5.500% | 195,000   | 5.000% |
| 2018            |  |        |   | 5.250% |   | 5.675% | 180,000   | 5.000% |
| 2019            |  |        |   | 5.250% |   | 5.675% | 320,000   | 5.000% |
| 2020            |  |        |   |        |   | 5.700% | 1,530,000   | 5.125% |
| 2021            |  |        |   |        |   |        | 2,690,000   | 5.000% |
| 2022            |  |        |   |        |   |        |   |        |
| Dated Date      | 10/1/1998  |        | 7/1/1999  |        | 5/1/2000  |        | 8/1/2001  |        |
| Delivery Date   | 10/21/1998   |        | 7/26/1999   |        | 5/24/2000   |        | 8/9/2001  |        |
| Insurance       |  |        |   |        | FSA   |        |   |        |
| Principal Out.  | \$1,675,000  |        | \$1,645,000   |        | \$1,265,000   |        | \$5,960,000   |        |
| Call Provisions | 1/1/09 @ 100.0%  |        | 1/1/09 @ 100.0%   |        | 1/1/10 @ 100.0%   |        | 1/1/11 @ 100.0%   |        |
| Use of Proceeds | New Money<br>Public improvements   |        | New money<br>Public improvements  |        | New money<br>Public improvements  |        | New money public, utility,<br>parking facility improvements                                       |        |

# Debt Chart (continued)

|                 | \$4,000,000<br>Village of Downers Grove<br>General Obligation Bonds<br>Water Revenue<br>Series 2001A |        | \$6,000,000<br>Village of Downers Grove<br>General Obligation Bonds<br>TIF Revenue<br>Series 2002 |        | \$6,265,000<br>Village of Downers Grove<br>General Obligation Bonds<br>Property Tax<br>Series 2003 Refunding |        | \$12,000,000<br>Village of Downers Grove<br>General Obligation Bonds<br>TIF Revenue<br>Series 2003A |        |
|-----------------|--|--------|---|--------|--|--------|---|--------|
|                 | AA+  |        | AAA/Aaa/AAA   |        | AAA/AAA  |        | AAA/Aaa/AAA   |        |
|                 | Principal  | Coupon | Principal   | Coupon | Principal  | Coupon | Principal   | Coupon |
|                 | January 1  |        | January 1   |        | January 1  |        | January 1   |        |
| 2008            | 415,000  | 4.150% | 190,000   | 3.500% | 475,000  | 2.625% | 475,000   | 2.625% |
| 2009            | 430,000  | 4.300% | 100,000   | 4.000% | 490,000  | 2.875% | 490,000   | 2.875% |
| 2010            | 450,000  | 4.450% | 100,000   | 4.000% | 505,000  | 3.125% | 505,000   | 3.125% |
| 2011            | 470,000  | 4.550% | 100,000   | 4.000% | 520,000  | 3.200% | 520,000   | 3.200% |
| 2012            | 485,000  | 4.600% | 120,000   | 4.500% | 535,000  | 3.200% | 535,000   | 3.200% |
| 2013            |  |        | 185,000   | 4.000% | 555,000  | 3.200% | 555,000   | 3.200% |
| 2014            |  |        | 265,000   | 4.000% | 570,000  | 3.350% | 570,000   | 3.350% |
| 2015            |  |        | 355,000   | 4.150% | 585,000  | 3.500% | 585,000   | 3.500% |
| 2016            |  |        | 220,000   | 4.250% | 610,000  | 3.650% | 610,000   | 3.650% |
| 2017            |  |        | 560,000   | 4.350% | 630,000  | 3.750% | 630,000   | 3.750% |
| 2018            |  |        | 685,000   | 4.450% |  |        |   |        |
| 2019            |  |        | 830,000   | 4.550% |  |        |   |        |
| 2020            |  |        | 980,000   | 4.600% |  |        |   |        |
| 2021            |  |        | 1,205,000   | 4.750% |  |        |   |        |
| 2022            |  |        |   |        |  |        |   |        |
| Dated Date      | 12/1/2001  |        | 8/1/2002  |        | 6/1/2003   |        | 11/1/2003   |        |
| Delivery Date   | 1/17/2002  |        | 8/19/2002   |        | 6/19/2003  |        | 11/18/2003  |        |
| Insurance       |  |        | FSA   |        | FSA  |        | FGIC  |        |
| Principal Out.  | \$2,250,000  |        | \$5,895,000   |        | \$5,475,000  |        | \$5,475,000   |        |
| Call Provisions | None   |        | 1/1/12 @ 100.0%   |        | 1/1/13 @ 100.0%  |        | 1/1/09 @ 100.0%   |        |
| Use of Proceeds | New money water utility improvements   |        | New money economic improvements   |        | Refunding Series 1996 Library Bonds  |        | New money economic improvements   |        |

# Debt Chart (continued)

|                 | \$9,950,000  |        | \$9,250,000  |        |
|-----------------|--|--------|--|--------|
|                 | Village of Downers Grove<br>General Obligation Bonds<br>TIF Revenue<br>Series 2005 Refunding |        | Village of Downers Grove<br>General Obligation Bonds<br>Sales Tax Revenue<br>Series 2007 |        |
|                 | AAA/Aaa/AAA  |        | AAA/Aaa/AAA  |        |
|                 | Principal  | Coupon | Principal  | Coupon |
|                 | January 1  |        | January 1  |        |
| 2008            | 70,000   | 3.500% |  |        |
| 2009            | 70,000   | 3.500% | 100,000  | 4.000% |
| 2010            | 70,000   | 3.500% | 335,000  | 4.000% |
| 2011            | 70,000   | 3.500% | 350,000  | 4.000% |
| 2012            | 80,000   | 3.500% | 360,000  | 4.000% |
| 2013            | 80,000   | 3.500% | 375,000  | 4.000% |
| 2014            | 840,000  | 3.500% | 390,000  | 4.000% |
| 2015            | 1,175,000  | 3.550% | 400,000  | 5.500% |
| 2016            | 1,365,000  | 3.600% | 420,000  | 5.500% |
| 2017            | 1,505,000  | 3.600% | 435,000  | 3.750% |
| 2018            | 1,735,000  | 3.700% | 450,000  | 3.800% |
| 2019            | 1,820,000  | 3.750% | 470,000  | 3.850% |
| 2020            | 885,000  | 3.850% | 490,000  | 3.850% |
| 2021            |  |        | 500,000  | 3.900% |
| 2022            |  |        | 525,000  | 4.000% |
| 2023            |  |        | 550,000  | 4.000% |
| 2024            |  |        | 570,000  | 4.000% |
| 2025            |  |        | 595,000  | 4.000% |
| 2026            |  |        | 620,000  | 4.000% |
| 2027            |  |        | 645,000  | 4.000% |
| 2028            |  |        | 670,000  | 4.050% |
| Dated Date      | 3/1/2005   |        | 5/1/2007   |        |
| Delivery Date   | 3/3/2005   |        | 5/17/2007  |        |
| Insurance       | FSA  |        | MBIA   |        |
| Principal Out.  | \$9,765,000  |        | \$9,250,000  |        |
| Call Provisions | 1/1/14 @ 100.0%  |        | 1/1/16 @ 100.0%  |        |
| Use of Proceeds | Refunding Series 1999 &<br>Series 2000 Bonds   |        | New money<br>Fire Station  |        |