

June 13, 1983
Oregon, Illinois

The Council of the City of Oregon met in regular session Monday, June 13, 1983 at 7:00 P.M., City Hall building.

Present: James Barnes, Mayor and Commissioners Norman Collins, Elma Braden, James Ludwig and Frank Svoboda. Absent: None.

Also present: City Attorney David Smith, Chief of Police Robert Jones and City Clerk Julienne Crowley.

Mayor Barnes opened the meeting with the Pledge of Allegiance.

Commissioner Ludwig moved that the minutes of the May 23, 1983 meeting be approved as recorded. Seconded by Frank Svoboda.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Commissioner Collins moved that the payroll in the amount of \$12,489.03 and claims as listed be allowed: James Barnes, expenses for Springfield trip, \$164.34; Illinois Municipal Treasurers Association, registration fee, \$50.00; Ogle County Life, legal publishing, \$26.80; Williams and McCarthy, legal expenses, \$1,125.40; Republican Reporter, office supplies, \$53.00; Ogle County Treasurer, real estate taxes, Conkey property, \$17.83; Sterling Business Machines, office supplies, \$20.00; Fischers, office supplies, \$7.51; Pitney Bowes, meter rental, \$51.00; Callaghan & Company, legal expenses, \$75.45; Oregon Park District, portion of real estate taxes on farmed property, \$58.72; Brown's National Clothing, police uniforms, \$162.40; Oregon Park District, police share of cost for bicycle program, \$18.00; Lace Motor Sales, squad car maintenance, \$13.50; Oregon Standard Service, police car maintenance, \$42.30; Felker Pharmacy, police supplies, \$5.63; Ogle County Sheriff's Department, computer use, \$120.00; Oregon Auto Supply, police, street department, vehicle maintenance, \$98.48; Commonwealth Edison Company, power, \$1,169.13; Dan's Sunoco, parks, gasoline, \$28.21; Ogle Service Company, parks, maintenance material, \$38.65; Stocking Equipment, parks, equipment maintenance, \$16.53; Hough True Value, parks, street department, material, \$53.29; Pines Meadow Vet Clinic, animal care, \$79.50; Prudential, final cost, group insurance, \$219.57; James Travis, fence, \$2,442.28; Oregon Stone Quarries, street maintenance material, \$830.02; Moring Disposal, refuse service, \$50.00; Brown's Electric Service, city hall maintenance, \$87.37; Merlin's Flowers, city hall improvements, \$33.29; Della Long, janitor

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service, \$45.00; Viking Chemical, chlorination for sewage, \$363.00; McClure Engineering, engineering service, \$4,634.00; Continental Telephone Company, phone service, \$230.75; Sieg Illinois Company, police, water department, vehicle maintenance material, \$22.85; Basler's Hardware, police, parks, street, city hall, water department, material, \$261.76; C. H. Ehmen Industries, street light maintenance, water department and disposal plant contract labor, \$377.62; Spangler Brothers, water department supplies, \$12.38; Hoyle Road Equipment, water department, oil, \$13.50; Utility Equipment Company, water department meters and equipment, \$187.14; C. & R. Welding & Electric, disposal plant equipment maintenance, \$170.82; Pineway Super Market, water department supplies, \$4.47; Sidener Supply Company, water department supplies, \$151.65; Golden Rule Insurance, group insurance, \$791.90; Aqualab, Inc., water samples, \$37.00; Julianne Crowley, cash advanced, public affairs, revenue sharing, disposal plant, water department, coliseum, \$328.55; IBM, office equipment, \$1,716.00. Seconded by James Ludwig.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Commissioner Svoboda moved that an invitation for bids for a Trailer Mounted Water Jet-Sewer Cleaning Equipment be published in the Republican Reporter newspaper June 16, 1983 with bids being publicly opened June 23, 1983 at 12 Noon, City Hall building. Seconded by Norman Collins.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Mayor Barnes moved to rescind the motion made March 14, 1983 appointing Jim Gitz to represent the City of Oregon to lobby on HB 203 and SB 78. Seconded by Norman Collins.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Mayor Barnes moved to employ Jim Gitz as lobbyist for the City of Oregon, representing the City on the issue of chlorination now pending in the House and Senate at a cost of \$1,750.00. Seconded by Elma Braden.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Commissioner Collins moved that the Annual Financial Statement submitted by Julianne Crowley, City Treasurer, for the fiscal year ending April 30, 1983 be approved and he further moved that said report be published once in the Republican Reporter newspaper in accordance with Illinois Revised

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Statutes, Chapter 24, Section 3-10-5.1. Seconded by James Ludwig.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Resolution #428, on Prevailing Rates for Construction Trades, was tabled. No action taken.

Commissioner Ludwig moved that the Mayor and City Clerk be authorized to sign the "Agreement for Maintenance of Municipal Streets" between the City and Department of Transportation. Seconded by Norman Collins.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Mayor Barnes proclaimed the month of June as Dairy Month.

Rev. Lay from the Lutheran Church addressed the council requesting to block off Jefferson Street between Fifth and Sixth Streets for one hour per day for five days for the children attending Bible School to play in the street. After discussion, the request was denied.

Dennis McMullen, representative of McClure Engineering, gave a report on various city projects. McMullen was instructed by the council to apply for a permit from the EPA to extend a sewer line from Tenth Street to the south side of Pines Road.

McMullen presented a street maintenance proposal and the council agreed that the 1983 portion should be advertised for bids.

Commissioner Ludwig moved to advertise for bids for the 1983 Street Maintenance Project. Advertisement to be placed in the Republican Reporter newspaper on June 23 and 30, 1983. Bid opening to be on July 7, 1983 at 12 Noon, City Hall building. Seconded by Frank Svoboda.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Attorney Smith presented the following letter from Chapman and Cutler, Attorneys:

June 1, 1983

Mr. David Smith
P. O. Box 10
Oregon, Illinois 61061

Dear Mr. Smith:

Unimin Corporation, a company that mines, processes and sells silica

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and industrial sand, is interested in acquiring from Martin Marietta Corporation an industrial sand plant located in the City of Oregon. As I discussed with you on the telephone, Unimin would be very interested in obtaining financing for this project from industrial development bonds issued by the City of Oregon. While Unimin has not yet told me the exact amount they wish to finance, they estimate it to be between one and two million dollars.

Industrial development bond financing typically involves the issuance of bonds by a municipality to finance an industrial plant, equipment or facilities to be leased or sold to a company. Under the applicable provisions of the Federal tax law, the interest on the bonds is exempt from Federal income taxes; this allows the company to obtain the needed financing at an interest rate that is two to three interest percentage points below what it would otherwise pay. The municipality's benefits from the financing are higher local employment, spinoff economic benefits, increased property tax revenues and often the provision of needed commercial or industrial facilities. There is no financial risk to the municipality because payment of the bonds is secured by the general credit of the company; the municipality does not pledge or loan its credit or taxing power to the financing, but merely serves as a conduit through which the amounts payable on the bonds flow from the company to the bondholders.

Unimin Corporation, the company requesting the financing, is a Delaware corporation that was founded in 1970 to mine, process and sell silica and industrial sand primarily for use in the glassmaking, petroleum and foundry industries. Unimin currently processes industrial sand in five states.

Unimin has requested that Chapman and Cutler serve as bond counsel for their municipal bond financings. Chapman and Cutler has enjoyed a national reputation in the field of state and municipal finance. This work has always been one of the major areas of the firm's practice. Currently, the Municipal Department of the firm has 51 partners and associates who devote their full time to municipal finance in a practice that is virtually nationwide. Twenty-one of these attorneys further specialize in industrial development financing and have had multi-state experience, including a large number of financings in the state of Illinois. Our principal function as bond counsel is to render an approving legal opinion with respect to the legality of the bonds, the exemption from current federal income taxes of the interest to be paid on the bonds, and the exemption of the bonds from the registration requirements of the federal securities laws. As bond counsel, we view our role as neutral and independent counsel in the negotiation of the various economic terms of the financing and the provisions of the documents. We generally do not advocate a position on behalf of any party or any particular outcome of negotiations, other than the outcome necessary for us to deliver the unqualified approving legal opinion mentioned above.

I have enclosed a sample of an inducement resolution which I have prepared for Unimin's financing of a plant in Troy Grove, Illinois, to show you what type of resolution is usually adopted by the municipality. Since an inducement resolution must be adopted prior to any acquisitions or purchases of any portion of the project by the company, and Unimin is anxious to enter into an acquisition agreement with Martin Marietta sometime in the next several weeks, we would greatly appreciate it if such a resolution could be considered at the next City Council meeting scheduled for June 13, 1983. Please consider whether the City of Oregon might be interested in participating in this type of financing, and I will be in touch with you sometime next week. In the meantime, please feel free to contact me with any questions or comments you might have at (312) 845-3854. If you feel that the City Council might wish to proceed, I will prepare an inducement resolution similar to the enclosed sample in time for the meeting of the 13th.

Very truly yours,
CHAPMAN AND CUTLER
By Lora M. Schofield
Lora M. Schofield

LMS/nap
Enc.

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After discussion, Commissioner Collins moved that the City adopt Resolution No. 429 authorizing execution of a memorandum agreement with Unimin Corporation concerning Industrial Revenue Bonds of approximately one to two million dollars. Seconded by James Ludwig.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

The Council approved the clerk's recommendation to issue a raffle license to the Yellow Bird Senior Citizen Center.

Commissioner Svoboda advised the council it is his recommendation to approach the fire department in regard to an agreement on a definite date they will vacate the city hall building, also negotiate with them in regard to compensation to the city for building rental. The council agreed.

Commissioner Svoboda advised the council that Frank Lucas had a complaint about his water bill. The gallon usage went from 2000 to 36000 in two months. After reviewing the previous usage and discovering that a wire from the outside reader to the basement meter was loose, Svoboda recommended that the city credit 11000 gallons from the bill. The council agreed.

Commissioner Collins reported he had an estimate from Jim Travis to reset the fence at Mix Park in the amount of \$881.25. The council agreed that Travis should be instructed to proceed with the work.

8:50 P.M.-Mayor Barnes moved to adjourn to Executive Session for purpose of discussing personnel. Seconded by Elma Braden.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

(Copy of Executive Session of the minutes in separate file.)

9:25 P.M. - Mayor Barnes moved to reconvene to regular session. Seconded by Elma Braden.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

There being no further business Commissioner Ludwig moved that the meeting be adjourned. Seconded by Elma Braden.

Said motion carried on roll call as follows: Ayes: Collins, Braden, Ludwig, Svoboda, Barnes. No nays.

Adjourn: 9:27 P.M.

ATTEST:


City Clerk


MAYOR